

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF ASSAM POWER GENERATION CORPORATION LIMITED
(APPROVED BY BOARD OF DIRECTORS)

1.PREAMBLE:

The concept of Corporate Social Responsibility has gained prominence from all avenues.

Assam Power Generation Corporation Limited(APGCL) has an ethical and social responsibility through its core value i.e. being ethically and socially responsive to support communities ostensibly impacted by its business in any manner. To fulfill the rooted values, APGCL is creating framework to identify, access and manage socio-economic development. The Company is committed to attain sustainable economic and infrastructure development with an interconnected vision of people's welfare, social growth and environmental conservation through adopting people-centric approach within the business.

In order to streamline the assessment and screening procedure, bring clarity among executing link of CSR, increase the level of involvement through dedicated work force for CSR activities in all levels of operation and comply with the directives of the Companies Act, 2013, APGCL desires to formulate comprehensive Corporate Social Responsibility Policy.

This Policy deals with the basic aspects of CSR with reference to APGCL. The Policy will provide an institutional framework to establish an efficient and effective platform to perform CSR activities. The Policy will ascertain role and responsibility, budget provision, information disclosure at different levels of operation in Field and at the Corporate level.

2.SHORT TITLE:

This Policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large, is titled as the '**Corporate Social Responsibility (CSR) Policy of Assam Power Generation Corporation Limited(APGCL)**'.

3.APPLICABILITY:

This Policy shall apply to all CSR initiatives and activities taken up by the Company at the Company's areas of operations and also within the State of Assam and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities.

4.DEFINITIONS:

1. "**Act**" means the Companies Act, 2013 as amended from time to time.

2. "**Corporate Social Responsibility (CSR)**" or "**CSR Activities/Initiatives**" means Corporate Social Responsibility (CSR) or CSR Activities/Initiatives as defined in Section 135 of the Act, Rules and Schedule(s) as amended from time to time.

3. "**CSR Committee**" means a CSR Committee constituted/reconstituted by the Board in accordance with the Act.

4. “**CSR Cell**” means a CSR Cell constituted/reconstituted in the Company to implement and monitor CSR projects

5. “**Rules**” means The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, prescribed under the Act.

6. “**APGCL**” means Assam Power Generation Corporation Limited or “the Company”.

7. “**Ongoing Project**” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

5. VISION:

In alignment with vision of the Company, APGCL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and the community.

6. OBJECTIVES:

APGCL introduces Corporate Social Responsibility (CSR) Policy with following objectives:

- To create sensitivity within the Company and society toward social development and to consider CSR as one of the Company’s responsibilities and to encourage cooperation with the wider stakeholder community.
- To promote high standard of authenticity, responsibility and accountability toward all stakeholders including employees, community, consumers, Government, etc.
- To promote socio-economic development through community development initiatives/programs.
- To bring about attitudinal change in APGCL employees and other stakeholders about the idea/perception of CSR.

This Policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.

7. BUDGET:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, every year budget for CSR activities shall be as decided by the Board as per the provisions of the Act, Rules and on recommendation of CSR Committee. The same will be distributed among CSR activities (either new or ongoing) or as per the recommendation of CSR Committee.

The CSR Budget for a Financial Year may be provisionally decided at the beginning of the Financial Year to facilitate sufficient time to conceive the appropriate CSR projects or programs or activities to be undertaken (Annual Action Plan) in that Financial Year subject to the final budget approval after the accounts are audited and approved by the Board.

8.SPENDING:

The expenditure on CSR activities shall be incurred in accordance with the provisions of the Act, Rules and Schedules in force from time to time and within the approved budget.

Any surplus arising out of CSR Projects or Programs or activities shall not form part of the business profits of the Company and shall be dealt with in the manner as provided in the Rules.

The amount spent in excess, if any, of the requirement provided under Section 135 may be set off against the requirement to spend in the succeeding financial years in the manner as provided in the Rules.

The ownership of the capital assets created/acquired on account of implementation of the CSR projects or programs or activities shall be held by the person or persons as provided in the Rules as amended from time to time.

9. SCOPE OF CSR ACTIVITIES:

The Company shall undertake any of the projects or programs or activities covered in Schedule VII to the Companies Act, 2013, as amended, or such other projects or programs or activities including new or ongoing projects or programs or activities covered therein as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR). The activities mentioned in Schedule VII are considered as illustrative and not exhaustive.

The Company may undertake or implement the CSR projects or programs or activities either by itself or through Implementing Agency/ies as specified in the Rules, as amended from time to time.

The CSR projects or programs or activities shall be undertaken only in India for the benefit of the public provided that the preference shall, as far as possible, be given to the local areas and areas where the Company operates for undertaking the CSR projects or programs or activities.

10.EXECUTING AGENCY /PARTNERS:

APGCL will seek to identify suitable projects or programs or activities for implementation in line with the CSR objectives of the Company and also to the benefit of the stakeholders and the community for which those projects or programs or activities are intended. These projects or programs or activities would be done either independently or through any company registered under Section 8 of the Act or a registered public trust or a registered society or an entity which satisfies the criteria as specified in the Act or the Rules and has CSR Registration Number issued by the Central Government.

The Company may engage international organization as defined in the Rules for designing, monitoring and evaluation of the CSR projects or programs or activities as well as for capacity building of its own personnel for CSR.

The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs or activities in accordance with the Rules.

11.PROJECT IDENTIFICATION:

While identifying the CSR initiative, APGCL would consider the following broad parameters while identifying /selection of schemes/projects:

- (a) Need identification Studies by the senior management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from District Administration/local Govt. etc.
- (d) Suggestions from the Board of Directors/senior management level.
- (e) *Such other means / sources as may be deemed fit.*

12. MONITORING MECHANISM:

CSR Committee has been constituted by the Board of Directors to oversee the implementation of CSR Policy. The CSR Committee will monitor and review the progress of activities to be undertaken.

CSR Cell shall be set-up which shall submit its recommendations for consideration of the proposals. The CSR Cell shall be responsible for implementation of CSR activities. The progress of CSR programmes under implementation and status of the work done shall be reported to CSR Committee of the Company.

Impact Assessment will be done as per the Act and rules as may be amended from time to time.

13. DOCUMENTATION:

The Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Website of the Company for public access, required under the Act and the Rules.

Suitable reporting on CSR activities/initiatives of the Company shall be made in the Annual Report of the Company as required under the Companies Act, 2013 and the Rules made thereunder.

14. PROCEDURE FOR CSR ACTIVITIES:

The hierarchy flow shall be as under:

Board - CSR Committee -Managing Director -CSR Department/Cell

The following procedure would be followed:

i. Areas of CSR activities as may be identified shall be placed before the CSR Committee of the Board at the beginning of each Financial Year as well as at such intervals as may be deemed fit and proper. The Budget for CSR activities shall form part of the Annual Revenue Budget of the Company and shall be placed before the Board of Directors for approval. The Board will authorize CSR Committee to approve CSR proposals and spend upto the stipulated CSR budget amount. The reporting to the Board by CSR Committee shall be made annually.

ii. For meeting the requirements arising out of immediate and urgent situations, the Managing Director is authorized to approve CSR proposals within the overall approved budget and the same shall be placed before CSR Committee for post facto approval.

iii. The Committee shall approve and submit to the Board an annual report on CSR containing particulars specified in the applicable Annexures to the Rules.

15. RESPONSIBILITY:

(a) Responsibility of Managing Director will be:

1. To monitor the projects undertaken from time to time.

(b) Responsibility of CSR Cell will be:

1. To identify and implement CSR Projects with due approvals.

2. To report progress of CSR programmes under implementation and status of the work done to CSR Committee through the Managing Director.

3. To conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.

16. EXCLUSIONS:

The following activities shall not be considered as CSR activities in accordance with Section 135 of the Act:

i. Activities in pursuance of normal course of business of the Company.

ii. *any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;*

iii. Contribution of any amount, directly or indirectly to any Political Party(ies) under Section 182 of the Act.

iv. *activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);*

v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

vi. *activities carried out for fulfilment of any other statutory obligations under any law in force in India;*

vii. *any other activity as may be prescribed/notified to be ineligible as CSR activity, from time to time, by the Government*

17. GENERAL:

i. In case of any interpretational issue with regard to any provision of this Policy, the decision of the Board of Directors shall be final.

ii. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the requirements of the Companies Act, 2013 and the relevant Rules made thereunder for the time being in force.

iii. In case of any inconsistency between this CSR Policy and the Companies Act, 2013 and the relevant Rules made thereunder, the Act and the relevant Rules made thereunder shall always prevail. In case of any doubt with regard to any of the provisions of this Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee in accordance with the requirements of the law for the time being in force shall be final. The Quorum for the CSR Committee meeting is 2.